

Message Text

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71

ACTION IO-14

INFO OCT-01 CIAE-00 CU-04 INR-10 NSAE-00 RSC-01 USIA-12

AF-10 ARA-16 EA-11 EUR-25 NEA-10 ADP-00 RSR-01 /115 W
----- 066721

R 121635Z JUL 73

FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1740

UNCLAS PARIS 19134

NESCO

EO 11652 N/A

TAGS AORG AFIN UNESCO
SUBJECT UNESCO FINANCIAL SITUATION

REF (A) 134142; (B) PARIS 18565

1. ACTING PERM REP RE-CHECKED WITH UNESCO BUDGET
DIRECTOR RAO ABOUT POINTS OUTLINED IN REF B AND ABOUT
DEPT'S TACTICAL PLAN CONCERNING HANDLING OF BUDGET
DEFICIT SET FORTH IN REF A.
2. RAO REITERATED THAT SEQUENCE IN HIS SCENARIO IS
ACCURATE PICTURE OF PRESENT THINKING HERE REGARDING
PROCEDURE TO BE FOLLOWED AT EMERGENCY GEN CONF AND
EXPLAINED THAT IF TEN CONF SHOULD APPROVE US-PROPOSED
LOAN AUTHORITY FOR DG FOR SUGGESTED FIVE YEARS
THAT RE-PAYMENTS OF THIS LOAN, JUST AS REPAYMENT
OF SUPPLEMENTAL ESTIMATE ALREADY APPROVED BY 92ND
EXBD, WILL BE SEPARATE ITEM ON ASSESSMENT OF EACH
MEMBER STATE EACH YEAR, TREATED JUST AS REFUND TO
WORKING CAPITAL FUND. IN SHORT, IF LOAN AUTHORITY
FOR FIVE YEARS APPROVED, AMORTIZATION COST PER YEAR
WILL BE ALWASY CONSIDERED AS REPAYMENT OF DEFICIT
IN 1973-1974 BUDGET AND WILL NEVER BE INCLUDED IN
BUDGET OF SUBSEQUENT BIENNIA AS IT WOULD HAVE NO
LOGICAL RELATION TO BUDGET FOR THOSE PERIODS. IN
SHORT, ANNUAL BILL TO US GOV WOULD CONSIST OF
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REGULAR PAYMENT FOR CURRENT BIEENIUM PLUS SPECIAL

ASSESSMENT TO REPAY DEFICIT OF 1973-4 BIENNIAL.
3. RAO ALSO SAID HE NOW ESTIMATED UNESCO'S DOLLAR
DEVALUATION DEFICIT AT FROM \$13-14 MILLION, OF
WHICH \$2.9 MILLION COVERED BY 92ND EXBD'S SUPPLE-
MENTAL ESTIMATE, LEAVING NET DEFICIT TO COVER AT
EMERGENCY GEN CONF OF \$10 TO \$11 MILLION.
4. FINALLY RAO REPORTED THAT DG WILL PROPOSE
PROGRAM REDUCTIONS TOTALLING ONLY
\$2.2 MILLION RATHER THAN \$2.6 MILLION AS INDICATED
BY 92ND EXBD. RAO CITED AS REASON THAT ADMINIS-
TRATIVE AND OTHER SAVINGS NEEDED TO MEET INCREASED
INFLATIONARY COSTS HAVE MADE IT --IN MINDS OF
SECRETARIAT THAT IS--EXTREMELY DIFFICULT TO PROPOSE
FURTHER REDUCTIONS WITHOUT SERIOUSLY DISTURBING
PROGRAM APPROVED BY 17TH GC.IRWIN

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Message Attributes

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Draft Date: 12 JUL 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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30 JUN 2005

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Subject: UNESCO FINANCIAL SITUATION
TAGS: AORG, AFIN, UNESCO
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